

**MINUTES  
REGULAR MEETING  
UTILITY SERVICE BOARD  
SEPTEMBER 19, 2016**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday September 19, 2016.

The meeting was called to order by Chairman Rick Stradtner.

**UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:**

Rick Stradtner – Chairman  
Keith Masterson – Vice Chairman  
Adam Auffart – Secretary  
Wayne Schuetter – Electric Commissioner  
Roger Seng – Water Commissioner  
Alex Emmons – Wastewater Commissioner  
Michael Kern – Gas Commissioner

**ALSO PRESENT:**

Jerry Schitter – Electric Distribution Manager  
Tim Doersam – Gas & Water Manager  
Ed Hollinden – Wastewater Manager  
Bud Hauersperger- General Manager  
Ashley Kiefer – Office Manager  
Renee Kabrick – City Attorney

**PLEDGE OF ALLEGIANCE** (DVD-00:54)

Chairman Rick Stradtner led the Pledge of Allegiance.

**STUDENTS VISITING** (DVD-01:19)

Chairman Stradtner introduced students visiting from Forest Park High school.

**QUOTE OPENING: MANHOLE RELINING – WASTEWATER** (DVD-01:48)

Bud Hauersperger opened the quote and read it aloud as follows:

- |                                    |                         |
|------------------------------------|-------------------------|
| 1. Spectra Tech<br>Noblesville, IN | \$240 per vertical foot |
|------------------------------------|-------------------------|

The quote included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation, and an Affidavit Regarding Non-responsibility.

Ed Hollinden stated that three requests for quotes were sent out. Red Horse and Advanced Rehabilitation did not respond. Hollinden stated that the project would not exceed \$30,000, which is the same price as last year and is the projected Capital Expenditure amount.

Wayne Schuetter made a motion to approve the quote from Spectra Tech for manhole relining for \$240 per vertical foot, not-to-exceed \$30,000. Alex Emmons seconded the motion. Motion approved, 7-0.

**QUOTE OPENING: PAINT SLUDGE HANDLING FACILITY – WASTEWATER**  
(DVD-04:42)

Bud Hauersperger opened the quotes and read them aloud as follows:

- |                                     |             |
|-------------------------------------|-------------|
| 1. Best for Less<br>Jasper, IN      | \$15,250.00 |
| 2. KWK Enterprises<br>Ferdinand, IN | \$16,800.00 |

All quotes included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation, and an Affidavit Regarding Non-responsibility.

Chairman Stradtner stated that the project did exceed the projected Capital Expenditure amount of \$14,000. Hollinden stated that three requests for quotes were sent out, but Talberts did not respond. Hollinden asked for the Board's approval for the low quote of \$15,250 from Best for Less to paint the sludge handling facility, pending all specifications being met.

Alex Emmons made a motion to approve the low quote from Best for Less for \$15,250 to paint the sludge handling facility for the Wastewater Department, pending all specifications being met. Michael Kern seconded the motion. Motion approved, 7-0.

**APPROVAL OF MINUTES** (DVD-08:20)

Chairman Rick Stradtner presented the minutes of the August 15, 2016 Regular Meeting and there being no corrections or amendments, asked for a motion to approve the minutes. Wayne Schuetter made a motion to approve the minutes of the meeting as presented. Adam Auffart seconded the motion. Motion approved, 7-0.

**PETITION TO VACATE PUBLIC UTILITY & DRAINAGE EASEMENT – LOTS 79 & 80 IN BROOKSTONE ESTATES III SUBDIVISION – BRAD ECKERLE WITH BROSNER LAND SURVEYING ON BEHALF OF WHITNEY A GUTGSELL** (DVD-08:55)

Brad Eckerle, with Brosmer Land Surveying, on behalf of Whitney A. Gutgsell, requested a petition to vacate a Public Utility and Drainage Easement on Lots 79 and 80 in Brookstone Estates III subdivision. The subdivision was platted in 2007. Eckerle stated that new flood insurance rate maps were implemented in 2014, and were coordinated with DNR. The land owner is planning on building a house within the lots. Eckerle stated that the lowest living area of the house will be two feet higher than flood plain, and in compliance with the City ordinance. There is storm sewer and wastewater on the front of the property. Hollinden stated that the Wastewater Department has access to the lots and no issues with the vacation.

Michael Kern made a motion to recommend to the Common Council vacation of a Public Utility and Drainage Easement on Lots 79 and 80 in Brookstone Estates III Subdivision at the request of Whitney Gutgsell. Wayne Schuetter seconded the motion. Motion approved, 7-0.

#### **AUTOMATED ENERGY AGREEMENT** (DVD-16:50)

Jerry Schitter informed the Board that the Electric Department has had a service agreement with Automated Energy since 2012, for monitoring equipment behind our meters in order to monitor electric loads at facilities. Schitter asked for the Board's permission to renew the service agreement with Automated Energy. Attorney Kabrick has reviewed and approved the agreement. The monthly utility bills issued to participating customers include a charge to cover the cost of this service.

Wayne Schuetter made a motion to approve the service agreement with Automated Energy. Keith Masterson seconded the motion. Motion approved, 7-0.

#### **ELECTRIC PLANNING COMMITTEE REPORT** (DVD-19:18)

Wayne Schuetter, Chairman of the Electric Planning Committee, stated the Committee did meet on September 13, 2016. At the meeting the Committee discussed the adoption of IMPA's PURPA plan. Dave McGimpsey, with Bingham Greenebaum Doll LLP explained that IMPA was requesting that the City of Jasper's municipal electric utility adopt IMPA's Public Utility Regulatory Policies Act (PURPA) joint implementation plan for purposes of transferring the purchase obligation of a qualifying facility (QF) under PURPA to IMPA.

McGimpsey reminded the Committee that Jasper's existing contract with IMPA is a full-requirements contract, meaning Jasper must purchase all of its electricity from IMPA. IMPA is now requesting adoption of their PURPA plan for the remainder of the City's contract term, which is until April 1, 2042.

McGimpsey informed the Committee that approximately forty members of IMPA have already signed the contract to adopt the PURPA plan. These forty members do not have a municipal electric utility. McGimpsey stated that if Jasper decides to adopt the plan, the City would avoid dealing with power supply issues and staffing concerns to oversee QF interconnection issues, and can let IMPA deal with any QF issues. If the plan is adopted, Jasper could also potentially lose

future flexibility in power supply and could miss an opportunity to save money on its purchased power.

McGimpsey stated that the City could decide not to adopt the IMPA PURPA plan and stay the course until a QF sought to sell power to Jasper. This would delay the QF decision date and possibly retain flexibility for the City's power supply. The City would then have to incur costs and expenses of dealing with a QF and may incur potential legal costs litigating Sec. 3(a) of the current IMPA full-requirements contract.

The Committee discussed in detail the advantages and disadvantages of adopting the plan. The Committee decided to contact IMPA to see if they would consider negotiating a five-year agreement with an automatic renewal, unless the City would opt out. Wayne Schuetter also stated that the City will need to begin negotiations with IMPA regarding our full-requirements contract ten years prior to the end of the contract term. Therefore, signing a lengthy agreement for the PURPA plan seems unrealistic at this time.

Wayne Schuetter stated that the Committee decided to get more information from IMPA regarding negotiations of the contract. Therefore, the Committee recommends tabling the discussion until further information is gathered. Schuetter stated that he hopes to have more information and a recommendation at the October Utility Service Board meeting. Attorney Kabrick stated that a phone conference with IMPA is scheduled for tomorrow to discuss these issues.

Schuetter stated that the Committee also discussed a possible electric rate study. At the meeting, Bud Hauersperger informed the Committee that the last electric rate study was completed in 2013 and was implemented in 2014. Schuetter stated that the study was a regular rate study and at that time the tracker was changed from monthly to quarterly. At the present time, the financial statements seem to be falling behind with revenues and costs. Therefore, Schuetter recommends a full cost of service study. The last cost of service study was completed in October 2007.

The study will look at separating the fixed cost out on the billing, and possibly increasing that fixed cost to maintain the system. The tracker would be analyzed again since it seems to be falling behind. The rate categories, residential, commercial, and industrial, would be studied to make sure the rates are keeping up. Other electric fees will also be examined.

Schuetter recommended that the power plant be included in the cost of service study. Schuetter stated that we need to know what the power plant value is, as is, and the value of just the footprint of the power plant. Schuetter stated that the Committee recommends that a market analysis from a realtor regarding the Heidorn property and surrounding seven acres, along with the value of the power plant as a vacant lot, be completed.

Schuetter also stated that the Utility Business Office is looking into accepting credit cards. It is being discussed about whether or not the utilities will absorb the credit cards fees, or if the ratepayers would be responsible. The rate study will also look into how the electric utility would absorb these additional costs from credit cards and how that could affect rates.

The Committee discussed possible Electric Department commitments to future City projects, such as the Cultural Center and Downtown project. When the rate study is completed, Alex Emmons requested to know exactly what percent of the rate increase will go towards each project, so the ratepayers can get a better understanding of why a potential rate increase may be necessary.

Schuetter also informed the Board that since the last cost of service rate study, Indiana has enacted legislation that restricts municipal electric utilities' customer base. As a result of this legislation, Jasper Municipal Electric Utility is not able to expand its electric service territory. What this means is that even though the City may grow and expand, we cannot provide electric service in these areas. Areas may be annexed into the City and only have some or no City utility services. Therefore, the decisions we make regarding rates affect ratepayers in different ways depending on what utilities they have with Jasper Municipal Utilities. This will also be factored into the rate study.

Schuetter stated that the Committee recommends to the Board that a full cost of service study be done. Schuetter stated that a proposal from HJ Umbaugh and Associates was received for a full cost of service study for not-to-exceed \$75,000.

Roger Seng made a motion to approve the proposal from HJ Umbaugh and Associates for a full cost of service study for not-to-exceed \$75,000, pending legal review. Michael Kern seconded the motion. Motion approved, 7-0.

Schuetter stated that the City needs to continue looking at grant opportunities from EPA for demolition of the power plant. Schuetter also said that the City is open to suggestions from the public on recommendations to repurpose the power plant.

#### **UPDATE ON PROCESS OF HIRING DISTRIBUTION MECHANIC** (DVD-38:23)

Tim Doersam informed the Board that applications for the Distribution Mechanic position have been received. Doersam stated that he hopes to start the interviewing process next week.

#### **PART-TIME HIRE** (DVD-38:39)

Doersam informed the Board that Jim Christianson was hired as a permanent part-time employee at the Gas and Water Department.

#### **UPDATE ON RISK MANAGEMENT PLAN UPDATE WITH MUNICIPAL H2O** (DVD-38:54)

Doersam updated the Board on the Risk Management plan with Municipal H2O. Doersam stated that they are continuing working with Municipal H2O on the plan and it is ninety-five percent complete. Doersam stated that EPA has extended the completion deadline to October 14, 2016.

#### **UPDATE ON GREENER ROAD GAS REGULATING STATION** (DVD-39:43)

Doersam informed the Board that tomorrow the Gas Department will begin upgrading the Greener Road gas regulating station. Doersam stated that they are installing fire valves and fire stoppers due to mandated safety regulations. The upgrade should be complete by Thursday.

#### **TURBIDITY METER** (DVD 40:20)

Doersam informed the Board that the turbidity meter at the treatment plant started failing over the weekend. The turbidity meter reads the turbidity of the raw water coming into the plant from the river, and is vital to the water treatment process. Doersam explained that the meter is fifteen years old and is used 24/7. Parts for the current meter are obsolete. Doersam contacted Hach and it will cost approximately \$6,000 to replace the meter. Doersam stated that this needs to be purchased immediately due to its essential part in the water treatment process. Attorney Kabrick stated that as long as Hach is a “single source vendor”, no other quotes need to be obtained.

Wayne Schuetter made a motion to approve the purchase of a turbidity meter, for the water treatment plant, from Hach for not-to-exceed \$6,000, pending legal review. Keith Masterson seconded the motion. Motion approved, 7-0.

#### **GAS PLANNING COMMITTEE REPORT** (DVD-44:24)

Michael Kern, Chairman of the Gas Planning Committee, stated the Committee did not meet during the past month.

#### **WATER PLANNING COMMITTEE REPORT** (DVD-44:29)

Roger Seng, Chairman of the Water Planning Committee, stated the Committee did not meet during the past month.

#### **WASTEWATER PLANNING COMMITTEE REPORT** (DVD-44:41)

Alex Emmons, Chairman of the Wastewater Planning Committee, stated the Committee did not meet during the past month.

#### **STUFFERS MAILED WITH UTILITY BILLS WITH EMERGENCY CONTACT INFORMATION** (DVD-44:57)

Ashley Kiefer informed the Board that a flyer will be stuffed in the September utility bills, regarding utility emergency information. The information will include emergency numbers to call when reporting a utility emergency, along with the Utility Business Office hours.

#### **FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET** (DVD-45:41)

Adam Auffart reported that the Finance Committee did meet on September 7, 2016. At the meeting the Committee continued preliminary discussions on accepting debit/credit cards as a form of payment in the Utility Business Office. The Committee decided that more information and internal analysis was needed. Auffart stated that more meetings will be scheduled.

Adam Auffart reported that the Finance Committee had met tonight and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Keith Masterson made a motion to approve the claims as presented. Wayne Schuetter seconded the motion. Motion approved, 7-0.

There being no further business to come before the Board, the meeting was adjourned at 7:49PM upon motion by Alex Emmons and second by Keith Masterson. Motion approved, 7-0.

The minutes were hereby approved\_\_\_\_\_ with   X   without corrections this 17<sup>th</sup> day of October, 2016.

Attest: \_\_\_\_\_  
Secretary Chairman